



# PBKM (FAMICORD GROUP) INVESTOR PRESENTATION

September, 2020





## AGENDA

- Family Stem Cell Bank no. 1 in Europe
- Subscription-based financial model
- Financials
- More than a stem cell bank – therapies and clinical trials
- Attachments, Business & Financial Glossary



Polski Bank  
Komórek Macierzystych  
FamiCord Group

## FAMILY STEM CELL BANK NO. 1 IN EUROPE



# FAMICORD'S BUSINESS - MORE THAN A STEM CELL BANK



- ✓ NO. 1 IN EUROPE
- ✓ ~91% OF GROUP'S REVENUE
- ✓ 456K OF ALL BIOLOGICAL MATERIAL SAMPLES STORED



Leading European stem cell bank

Drug manufacturing and clinical trial portfolio



- ✓ DRUGS MANUFACTURING AND RELATED – ~6% OF GROUP'S REVENUE
  - Experimental therapies
  - CMO contracts
  - Medical services

- ✓ ~ 120K SUBSCRIPTION CLIENTS
- ✓ PLN ~47M OF RECURRING REVENUES IN LAST FOUR QUARTERS
- ✓ INDUSTRY LEADING CLTV / CAC
- ✓ STEADY RECURRING CASH FLOW GENERATION WHICH GROWS BY 15% CAGR

- ✓ DRUGS MANUFACTURING CAN POTENTIALLY MULTIPLY THE COMPANY VALUE
- ✓ CLINICAL TRIALS
  - One own and three consortia projects
  - Eight clinical trials in five projects
  - Potential game changer for the valuation

# FAMICORD's KEY NUMBERS AND ACHIEVEMENTS



18

## YEARS OF OUR HISTORY

Long-term and successful history

1 / 5

## POSITION IN EUROPE / WORLD

Leading European and global stem cell bank

8

## CLINICAL TRIALS

Potential game changer for valuation; financial efficiency (grants, partners)

37+%

## EUROPEAN MARKET SHARE

Consistent organic growth and proven M&A track record

456k

## BIOLOGICAL MATERIAL SAMPLES STORED

No. 1 in Europe and no 4/5 in the world; potential of sale to wide client base

~20

## M&A TRANSACTIONS

Cost discipline with focus on high ROIs. Leveraging on sector consolidation

24

## NUMBER OF COUNTRIES

European-wide network of own companies and partners

11

## OWN LABORATORIES

Strong local presence, prime samples quality, laboratories distinguishing model

676

## APPLICATIONS IN CLINICAL TRIALS

More than a stem cell bank - engagement in clinical trials

~31k

## NEW CLIENTS YEARLY

~ 3 times more than the 2nd largest European competitor

~120k

## CLIENTS IN SUBSCRIPTION MODEL

Strategic choice to forgo short-term profitability and rely on long-term subscription business

PLN

~47m

## RECURRING REVENUES\*

Subscription model secures stable operating cash flow. Churn <1%

1.5k+

## PATIENTS IN EXPERIMENTAL THERAPIES

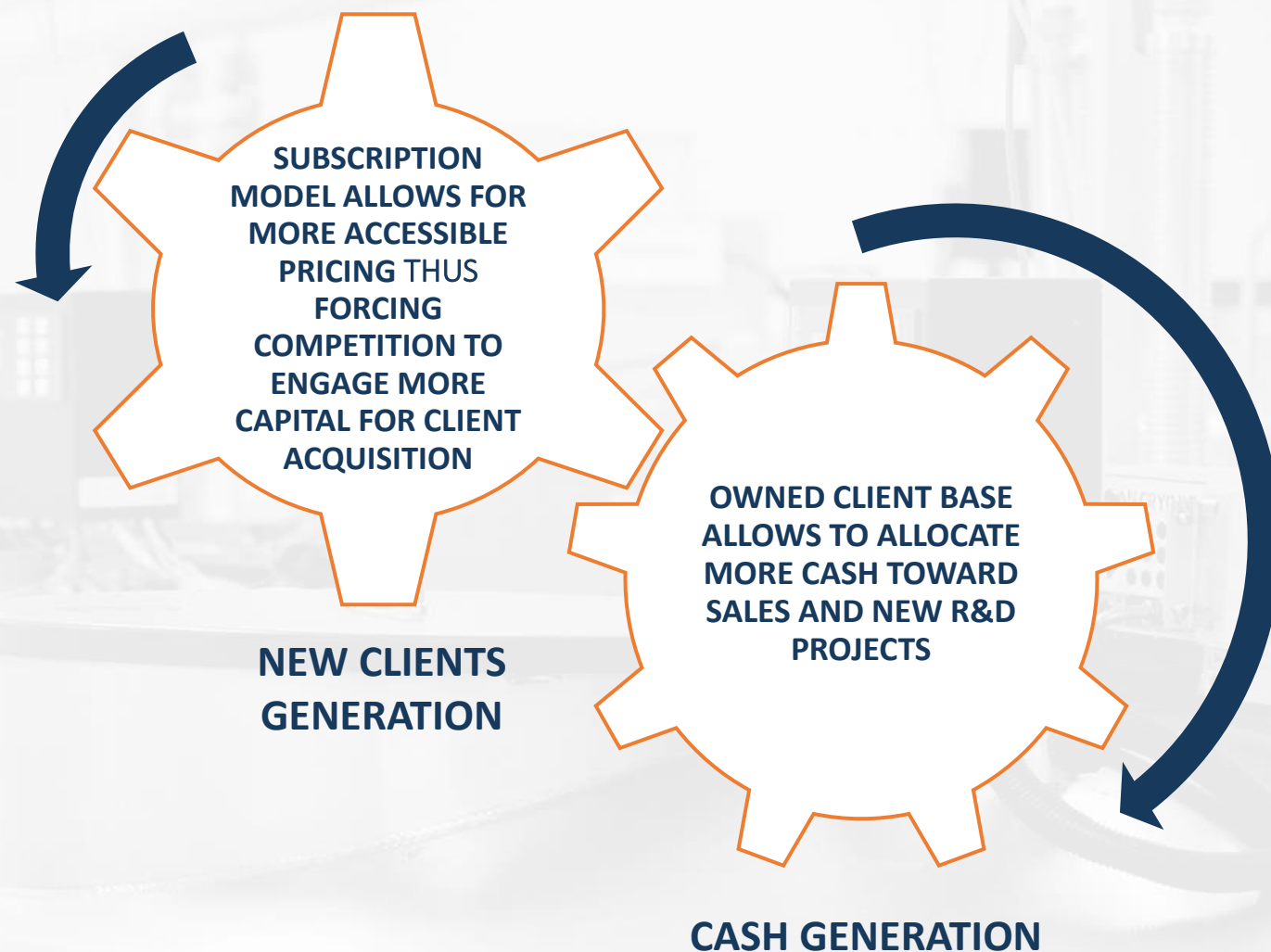
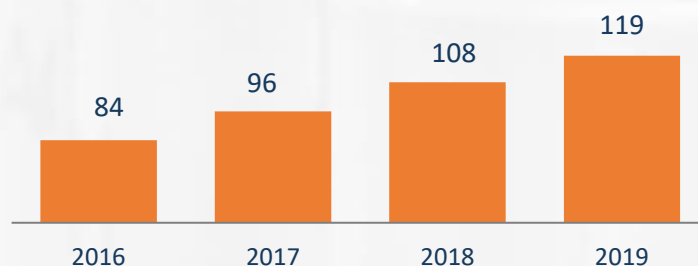
More than a stem cell bank - engagement in therapies



## Increasing demand for PBKM's products

The dynamically growing pool of subscription contracts and the low churn rate translate into PBKM's capability to substantially improve its operational performance in the longer term. As a result PBKM can lower the entry barriers for new customers thus further accelerating the „flywheel effect“

Number of B2C clients in the annual subscription model



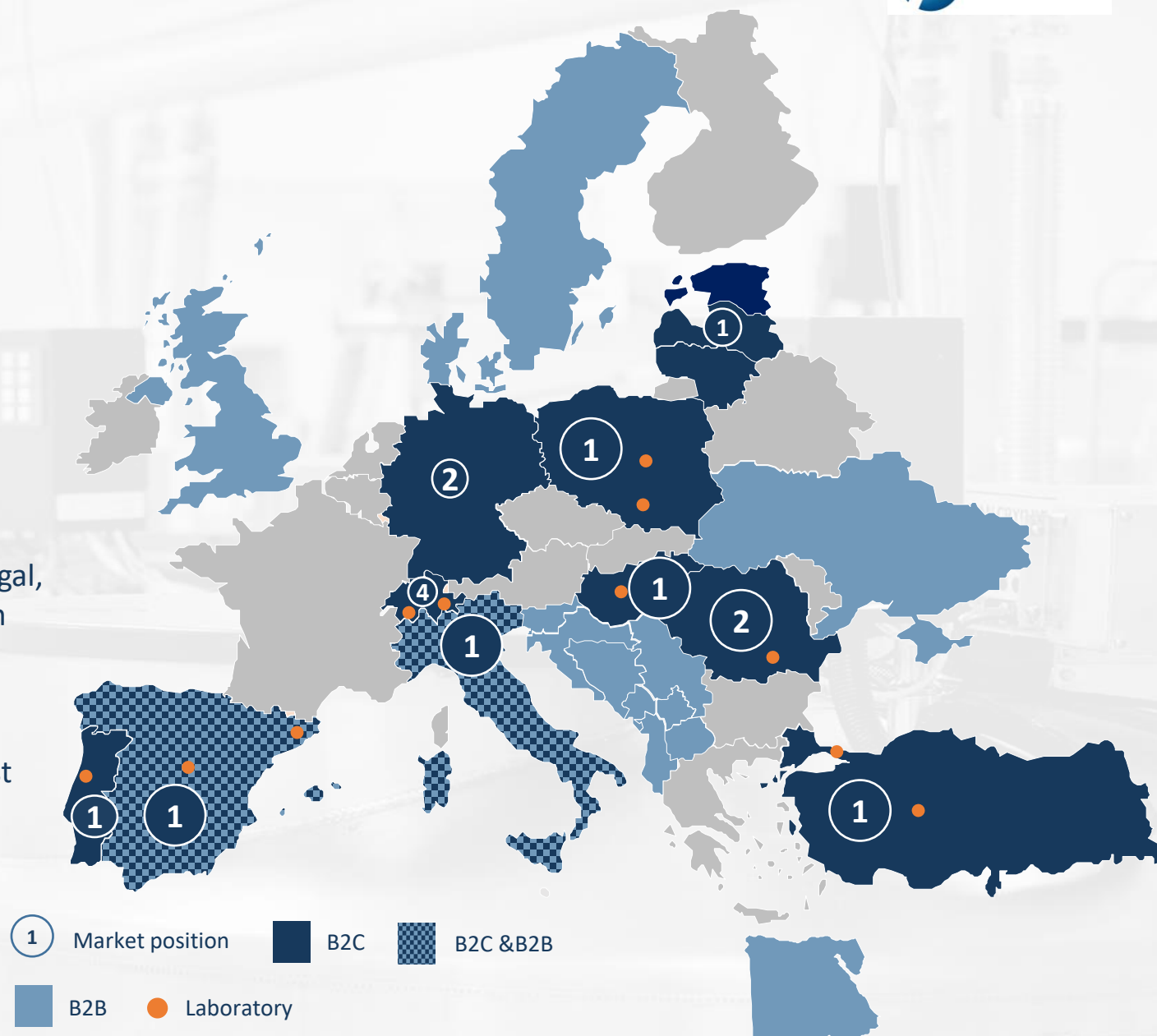
# DOMINANT POSITION IN EUROPE

**37+%** European market share; space for growth in Western Europe

**24** Number of countries with FamiCord presence, including 10 where we operate directly

**5** M&A transactions within last 21 months (Spain, Portugal, Turkey, Italy, Germany) for a total value of EUR ~14.4m

**11** Multiple own laboratories across Europe (very distinguishing model vs competitors usually having just one or two)



# EXECUTIVE SUMMARY – RECENT DEVELOPMENTS



- **Dynamic growth of banking business fuelled by M&A and organic growth**
  - ~37+% of current European market share and ambitions for further significant growth
  - 30.9 thousands of new B2C and B2C samples in 2019 (+29%); ~120 thousands of B2C subscriptions at the end of 2019
  - European market temporarily shrunk after bankruptcy of Cryo-Save\* – one of the former largest competitors



- **ATMP-HE (experimental) therapies and own drugs / therapies development**
  - ~370 of new patients in experimental therapies in 2019; PLN 11.3m of revenues from stem cells therapies
  - Over 670 of cumulative applications in clinical trials
  - new „CAR-T project” and approved PBKM’s commitment of PLN 15m (including licence)



- **2019 financials driven by one-offs (including regulations), investments in group development and R&D costs**
  - PLN 188m of revenues (+16%) including PLN 45.5m (+16%) of recurring subscription revenues



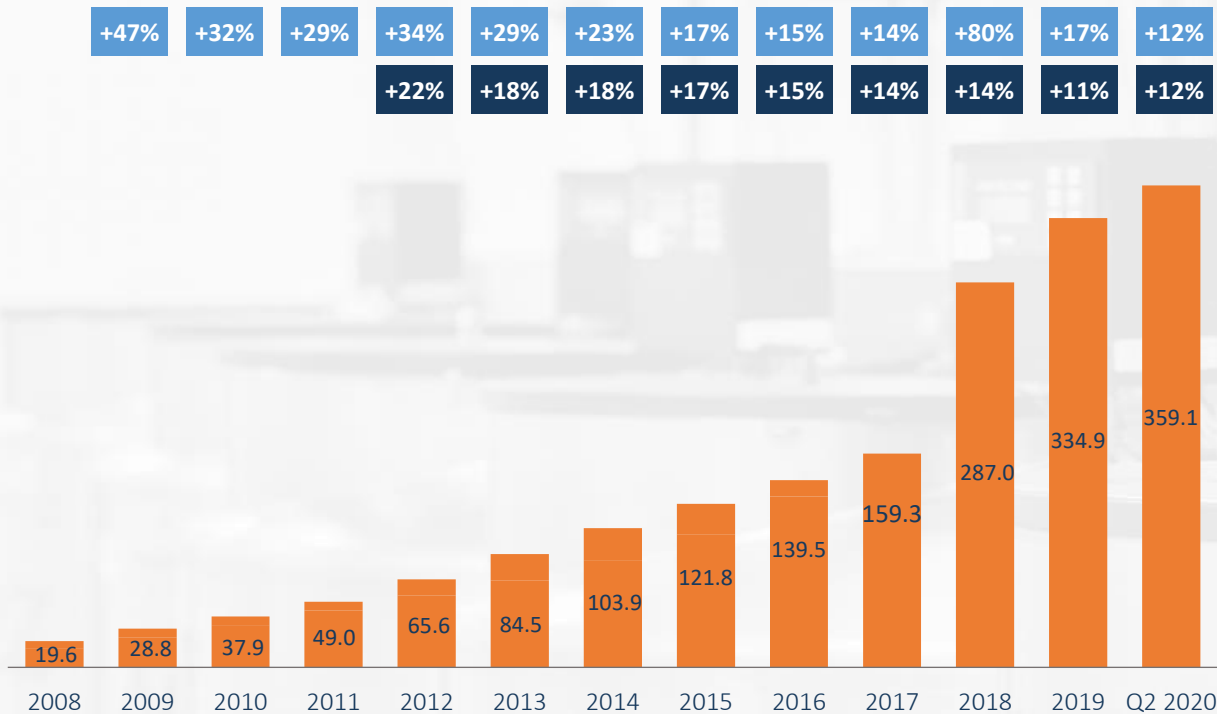
- **Two equity financing rounds and three M&A transactions**
  - Capital increase of PLN 53m in January 2019 and PLN 218m in January 2020 (significant changes in ownership structure)
  - 5 M&A transaction in Spain, Portugal, Turkey, Italy and Germany of EUR 14.4m total value within last 21 months
  - Strong cash position allowing for further market consolidation



- **Impact of COVID-19**
  - Practically, no business interruption; great advantage of the multi-lab model
  - Yet slow-down of new clients acquisitions by 15%-20%

# OVER 10 YEARS OF SUSTAINABLE DYNAMIC GROWTH

Number of clients (B2B+B2C) in thousands \*



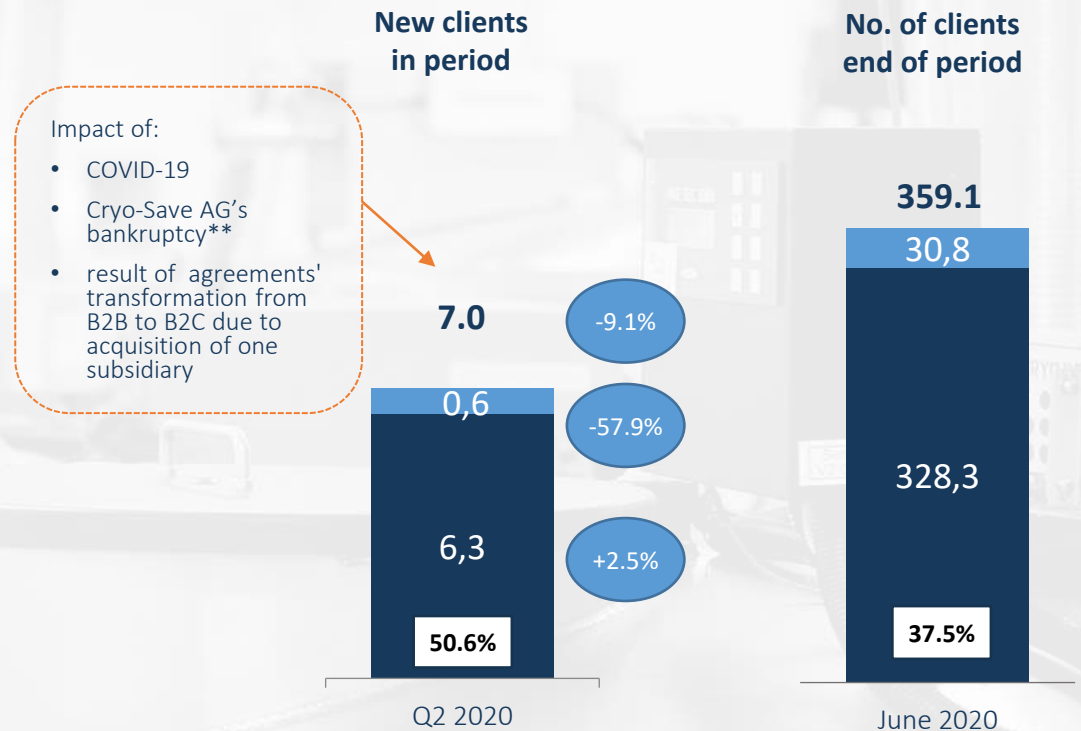
% Organic growth y/y

% Increase y/y with M&A

\*Excluding biological material stored by PBKM of ca. 300 thousands families stored by PBKM following execution of 5 years back-up agreement with Cryo-Save AG in liquidation with its seat in Switzerland

\*\*Cryo-Save AG in liquidation with its seat in Switzerland

Structure of clients in thousands



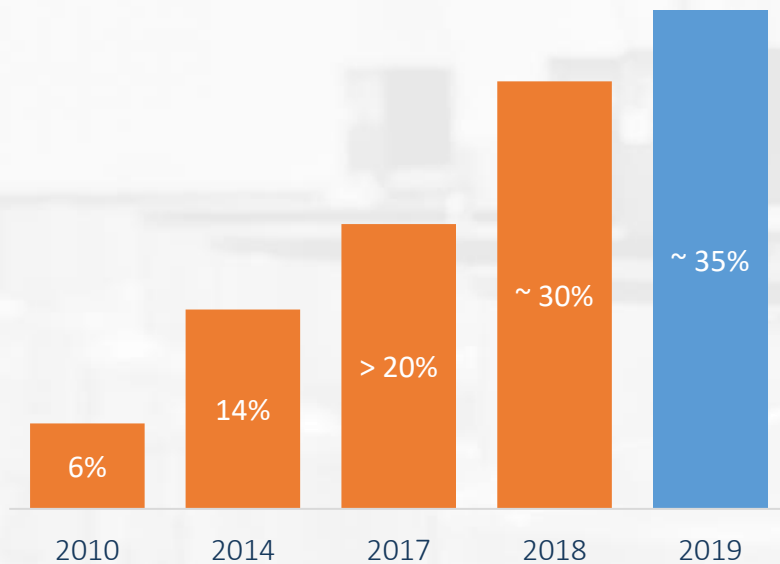
% Share of agreements in the subscription model (in B2C segment)

B2C B2B % y/y

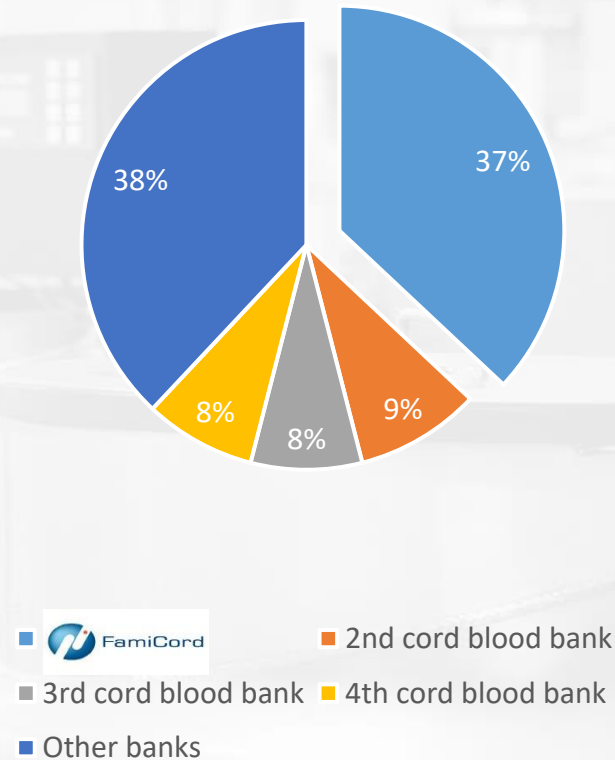
# LEADING EUROPEAN AND GLOBAL PLAYER



FamiCord Group's European market share growth \*



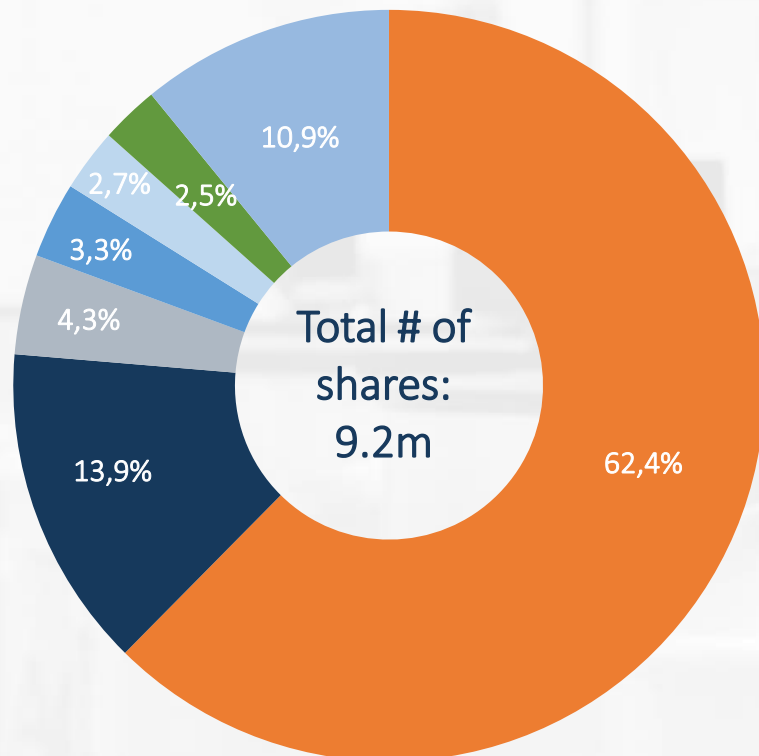
FamiCord - Top Choice of parents in Europe\*



- 37+% of clients (parents and corporate partners) in Europe choose FamiCord
- Market share gain driven by strong organic growth and acquisitions of competitors (~20 transactions in history)
- No. 1 in Europe and no. 4/5 in the world

# SHAREHOLDING OF PBKM

Shareholding structure as of September 2020\*



- AOC Health
- OFE Nationale-Nederlanden
- Jakub Baran
- TFI Esaliens SA
- Invesco
- Norges
- Other

■ Two rounds of significant capital raise in the past years:

- December 2018 / January 2019: 918 728 shares ("L" series)
- December 2019 / January 2020: 3 522 705 shares ("M" series)

# ACTIVE OWNERSHIP FUND - PBKM's KEY SHAREHOLDER



Active Ownership



## PROVEN TRACK RECORD OF INVESTMENTS

Strong financial shareholder with outstanding capital allocation track record which supports roll-up and organic growth strategy for exponential long-term value creation. AOF is also indirectly owner of >35% of Vita 34, and is represented in its Supervisory Board post 1/07/2020 Shareholders' Meeting



## LONG-TERM INVESTMENT HORIZON

Average investment horizon of ca. 3 – 7 years enabling time-horizon arbitrage. Target to double the invested capital every 4 – 5 years



## PRIVATE EQUITY – LIKE VALUE CREATION

Active value creation in publicly listed companies by focusing on operational, strategic and governance improvements and active involvement through board participation

Net IRR of 28% since inception\*

Cumulative net performance of 197% since inception in December 2015\*

High quality client base with a long-term investment horizon

Highly engaged with portfolio companies through board seats & executive hiring

Strong alignment - partners represent >10% of AOF's assets

# STRONG MANAGEMENT COMPETENCES



**Jakub Baran - President of the Management Board, CEO**

- CEO & COO, at the company since 2005
- Co-founder and the 3th largest shareholder of the company
- Over 10 years of experience in sales and IT (HP, IBM)
- Responsible for operational issues, M&A and business development



**Tomasz Baran – Executive Vicepresident**

- Executive Vicepresident, at the company since 2010
- Board Member, Medical doctor with MBA title
- Over 10 years of experience in the pharmaceutical sector (Pliva, AstraZeneca, GSK)
- Responsible for sales, marketing and relations with medical partners



**Marcin Radziszewski - Management Board Member, CFO**

- Management Board Member, at the company since 2013
- Over 10 years of experience in finance, accounting and internal audit (incl. Accor)
- Responsible for finance and capital supervision



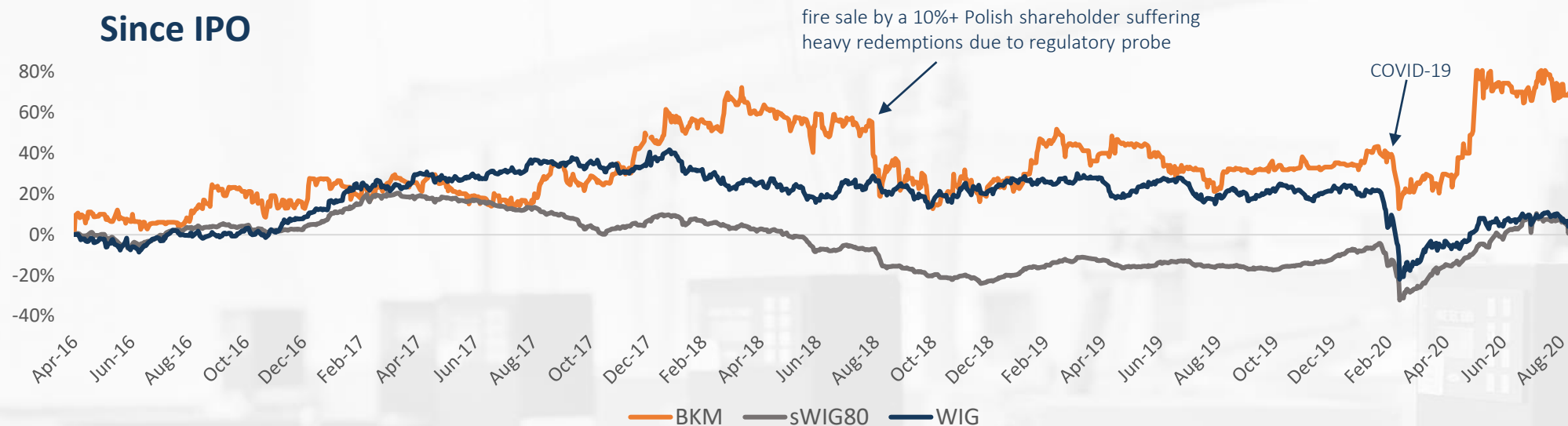
**Tomasz Ołdak, - Management Board Member, CTO**

- Management Board Member since March 2020, at the company since 2006
- Head of R&D, labs and medical departments
- PhD in biology

# PBKM – SIGNIFICANT MARKET OUTPERFORMANCE



## Since IPO



## YTD



## TTM



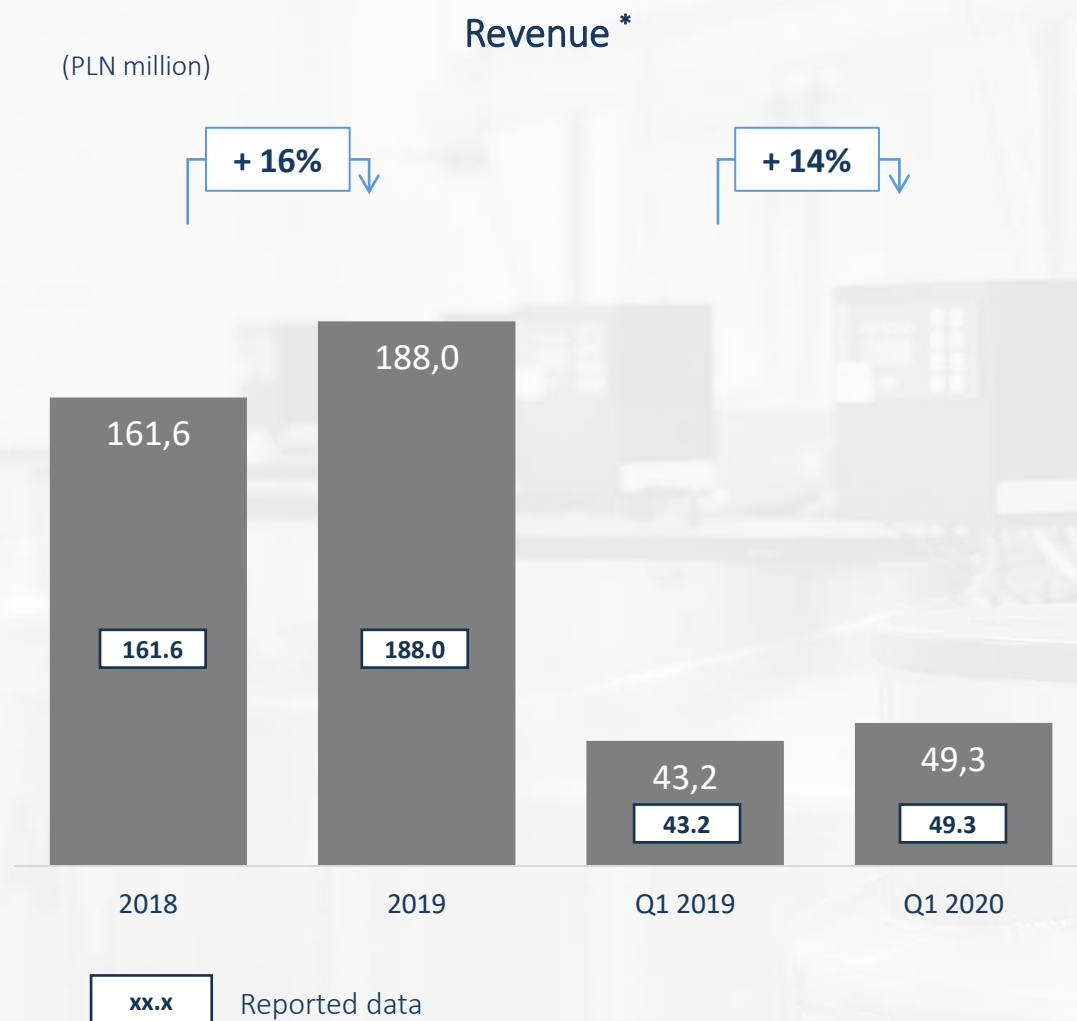


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## SUBSCRIPTION-BASED FINANCIAL MODEL

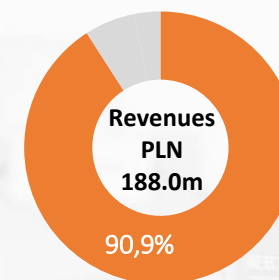


# REVENUE

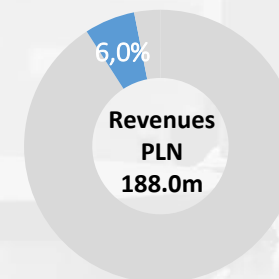


## 2019 Revenue Split

### B2C AND B2B CORD BLOOD AND TISSUE BANKING



### MANUFACTURING OF ATMP AND THERAPIES



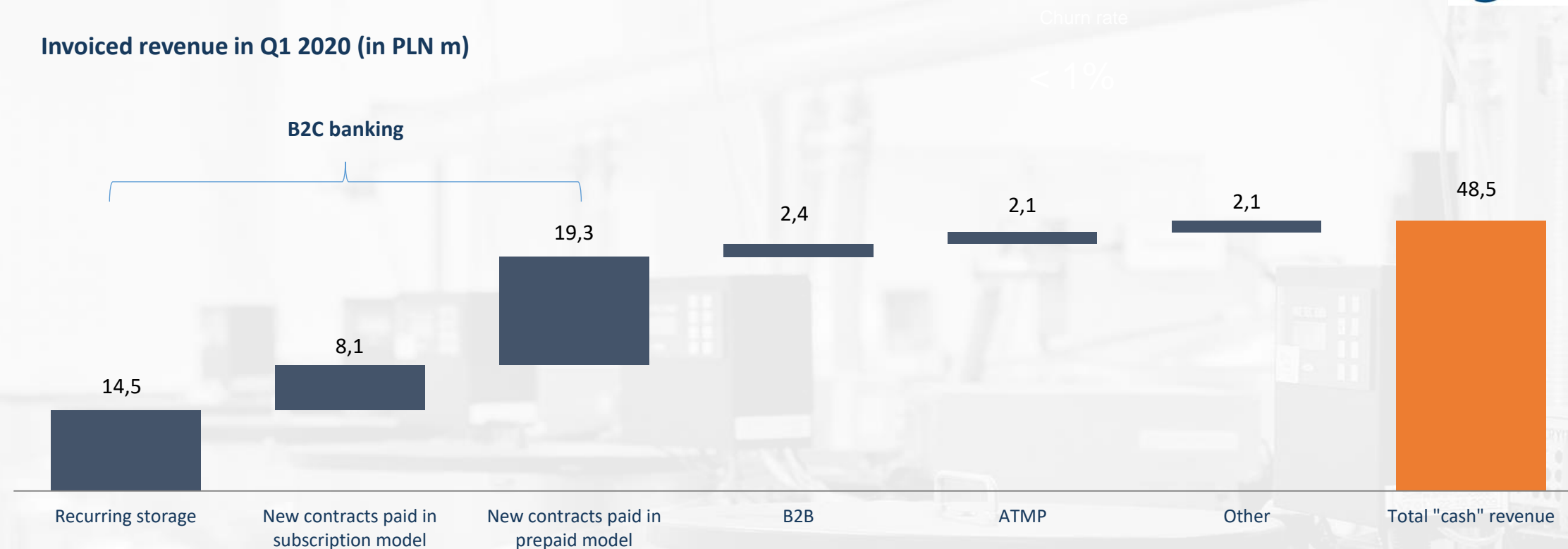
### OTHER MEDICAL AND COMPLEMENTARY SERVICES



# HOW WE GENERATE REVENUE



Invoiced revenue in Q1 2020 (in PLN m)



ARR

PLN ~ 47m\*

▲ 17%

Churn rate

< 1%

Subscription 1st  
year contract price

PLN 2.6k

Prepayment average  
contract price

PLN 5.8k

ATMP revenue

PLN 2.1m

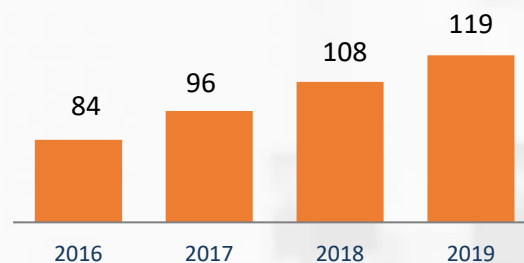
Q1 Customer  
acquisition cost

PLN 2.4k

# SNOWBALL OF ANNUAL SUBSCRIPTION REVENUE

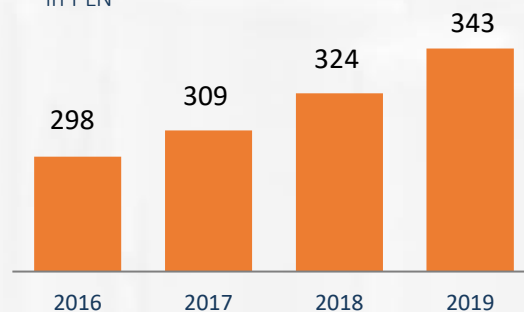
**Number of B2C clients in the annual subscription model**

in thousands

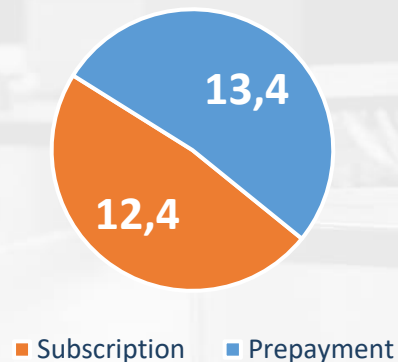


**Average net annual subscription paid by B2C client**

in PLN

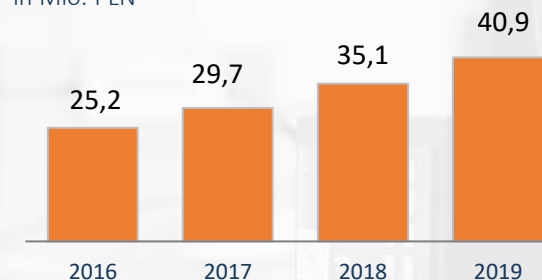


**New B2C clients split in 2019**



**Invoiced net annual storage fee in the B2C segment**

in Mio. PLN

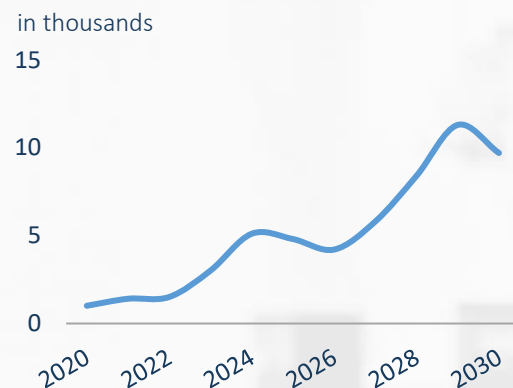


- ~PLN 41+m annually of invoiced subscription fees
- Growing ARPU
- Churn below 1%
- >10% of organic growth in subscription B2C clients
- growing revenue from B2B annual subscription

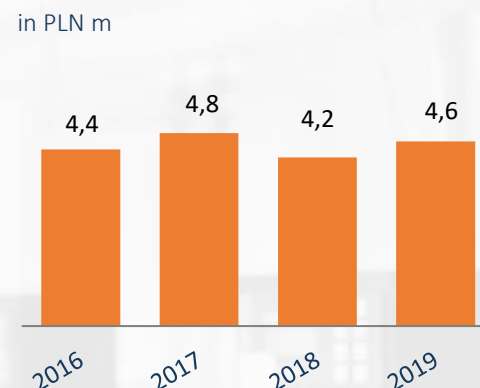
# HUGE UPSIDE IN CLIENT BASE



Expiring existing prepayment contracts



Cash flow from renewal of the existing prepayment contracts



Expiring bankrupted Cryo-Save\* prepayment contracts



**POTENTIAL  
CONTRACT  
RENEWAL**

**<1% OVERALL  
CHURN**

## Number of clients in the subscription model

Existing prepayment client base and organic client acquisition

Potential clients



**MOUNTING  
SNOWBALL  
EFFECT**



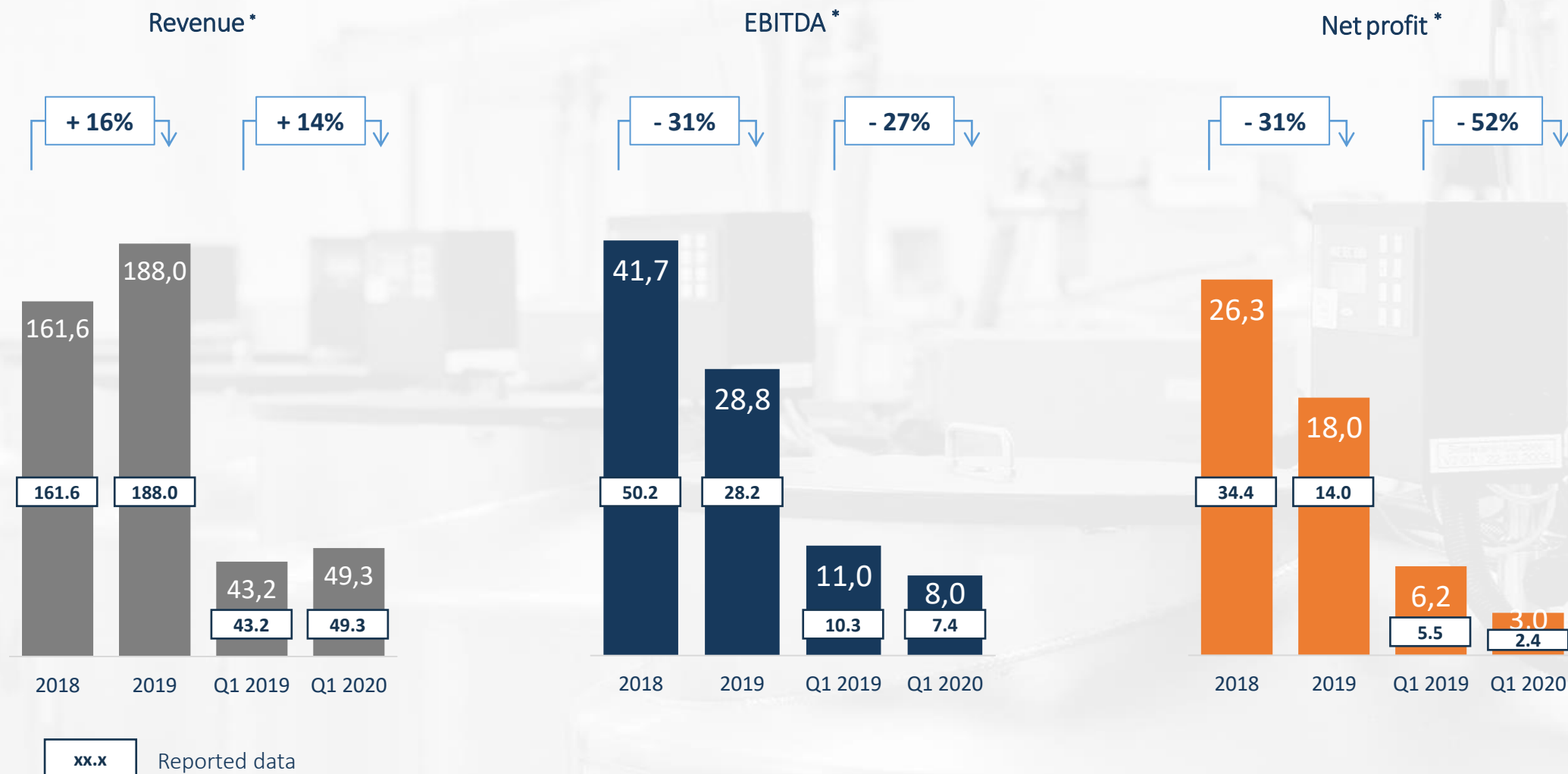
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## FINANCIALS

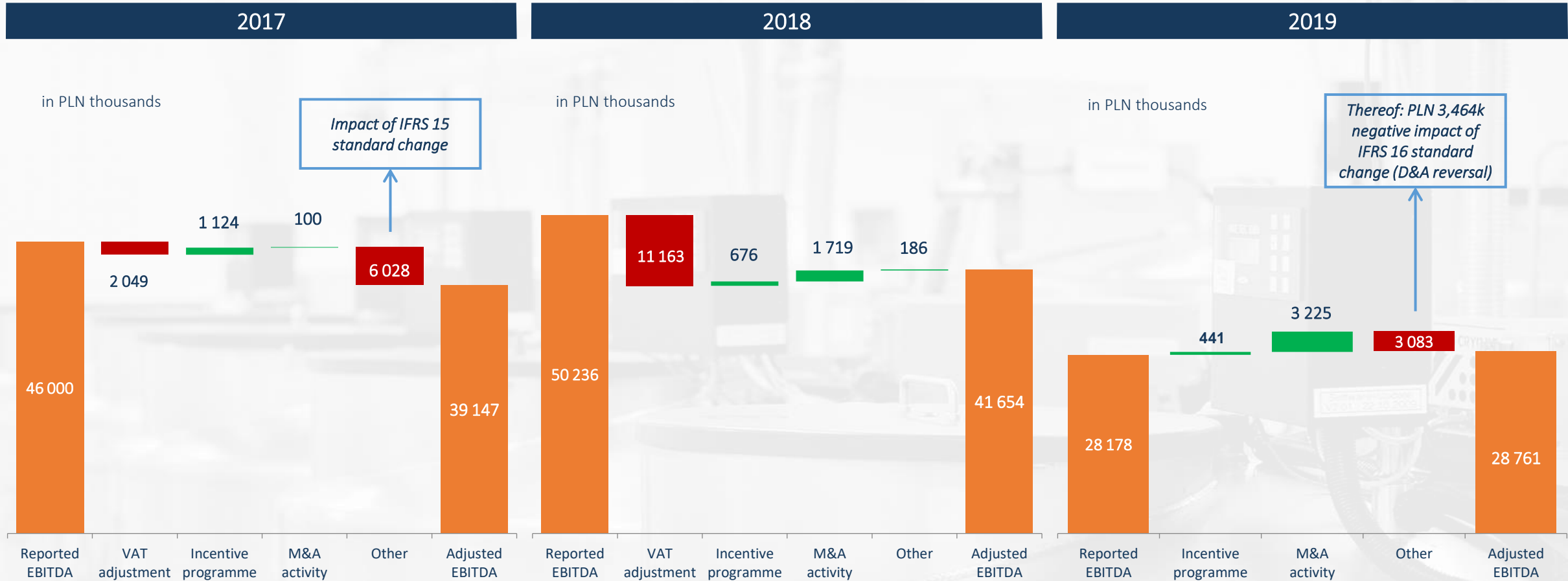


# FINANCIAL RESULTS IN 2019/2020 - PERIOD OF TRANSITION, INVESTMENTS AND ACQUISITIONS

(PLN million)

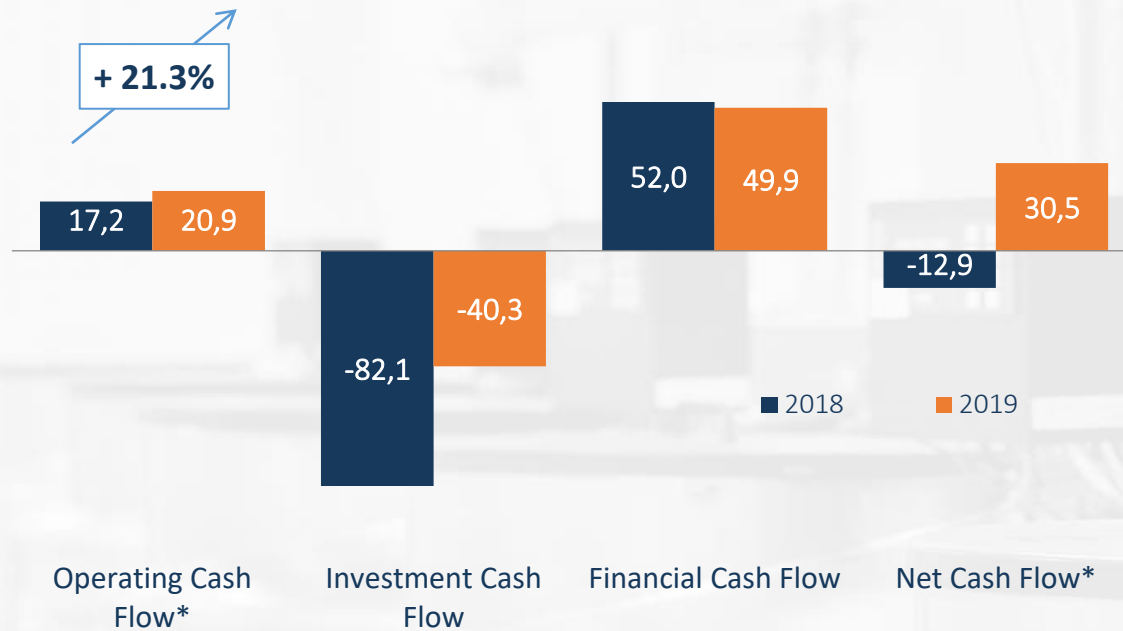


# ONE-OFFS

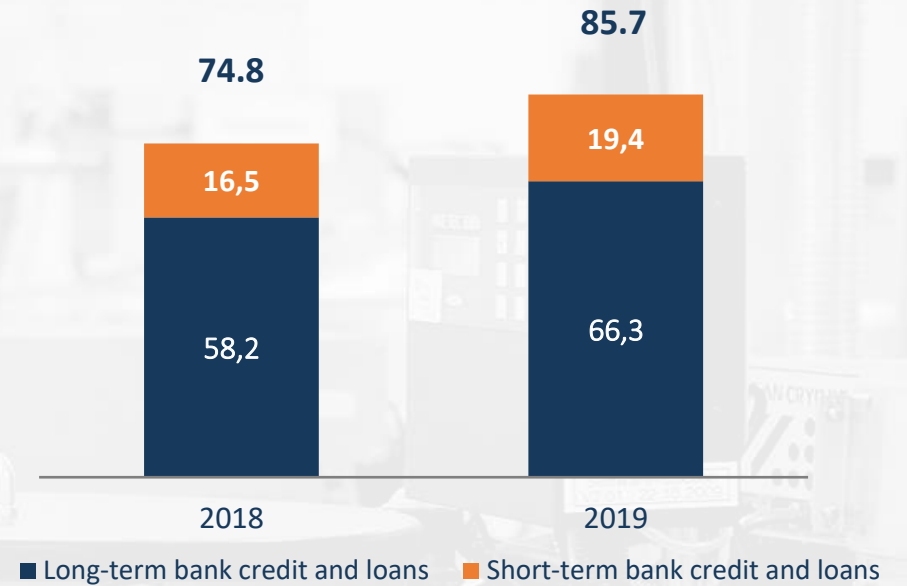


# CASH FLOW STATEMENT

Cash Flow (PLN m)



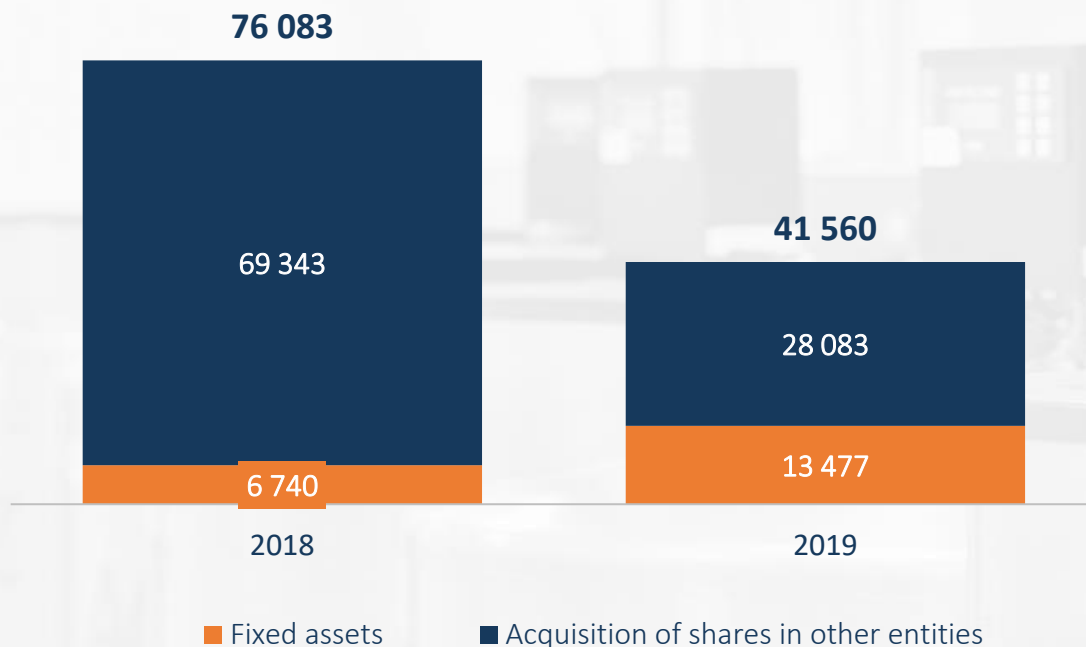
Debt Structure (PLN m)



- Acquisition financing of PLN 28m in 2019 (PLN 75.5m in 2018)
- Acquisitions were financed mainly with own funds from the capital raises

- Net debt of PLN 70.0m at the end of 2019
- Net debt / EBITDA of 2.5x at the end of 2019
- PLN 52m of capital raise in 2019
- Over PLN 218m of capital raise in January 2020

## CAPEX (in PLN thousands)



### Historical

- Fixed assets capital expenditures include:
  - Purchase of medical devices
  - Purchase of laboratory and related devices
  - Expansion / modernization of the Group's laboratories
  - Expansion of the laboratory in Warsaw
- CAPEX Includes acquisition of Stemlab, Famicordon, Famicell, Bebecord, Bebe4D, Medical Media and payment of the second tranche for Famicord Suisse

### Outlook

- 2020 CAPEX incurred year-to-date includes acquisition of Famicord Acibadem (PLN 12.9m)
- Major CAPEX to be incurred in coming years includes Project ALSTEM, lab expansion, and lab equipment (approx. PLN 20m)
- Additionally, PLN 15 million in 2019-2023 is expected to be spent for the implementation of the project of a cancer immunotherapy product based on CAR-T technology



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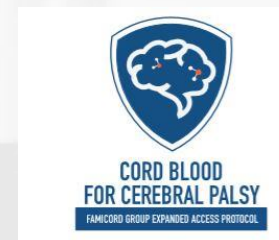
MORE THAN A STEM CELL BANK -  
THERAPIES AND CLINICAL TRIALS



# MORE THAN A STEM CELL BANK



**FamiCord Group actively supports the development of treatments and new therapies with the use of stem cells derived from cord blood, cord tissue, and adipose tissue**



- 1 500+ patients in experimental therapies
- CMO contracts
- Treatment program of using cord blood stem cells in treating cerebral palsy

**Drug  
manufacturing**

**Drug / therapies  
development**

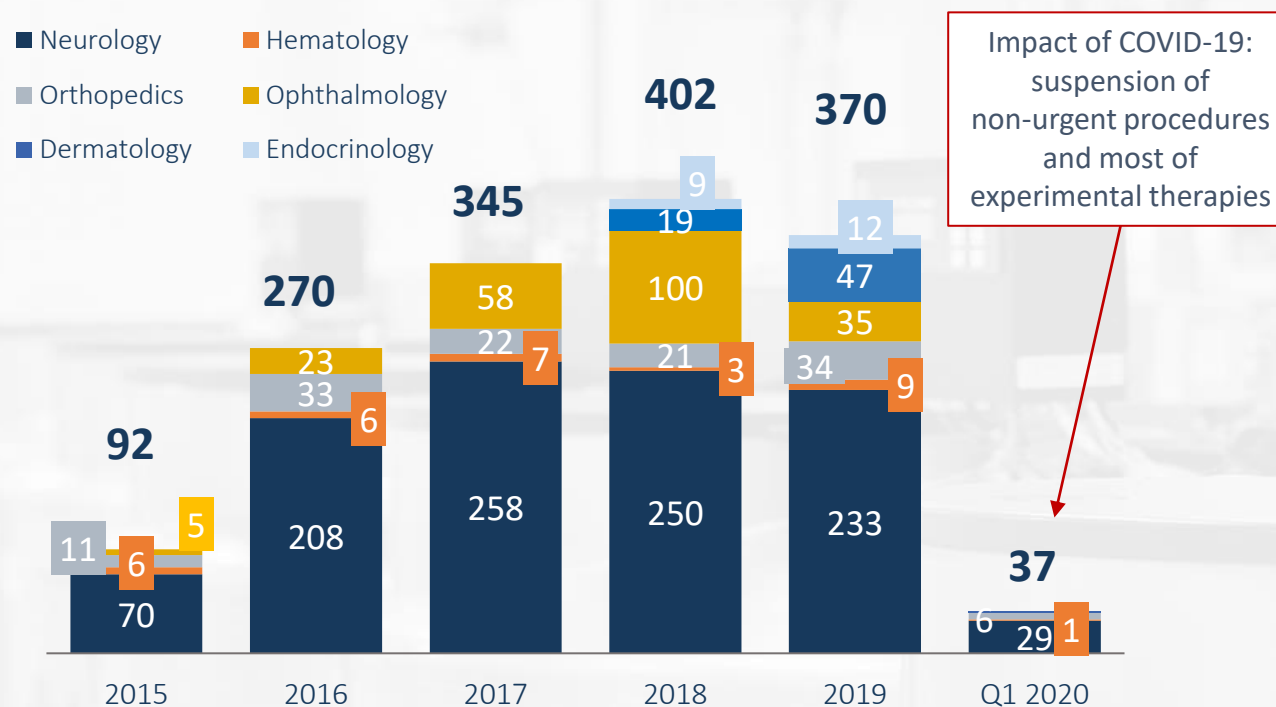
- Five R&D projects with eight clinical trials\*
- Financial efficiency: PLN 21m of total own costs for five projects (partners and grants)
- New „CAR-T project” and PBKM commitment of PLN 15m

\* Initially scheduled nine clinical trials but one of the ongoing clinical trials shifted to a medical experiment

# ABOVE 1 500 PATIENTS IN EXPERIMENTAL THERAPIES AND CLINICAL TRIALS



Number of new patients\* treated in Poland and Sweden with the use of materials manufactured by PBKM





Exemplary diseases and number of patients (cumulative 2008 – Q1 2020)\*

| Disease                       | Number of patients |
|-------------------------------|--------------------|
| Scar                          | 34                 |
| cutis laxa                    | 28                 |
| Stargardt's disease           | 17                 |
| Retinitis pigmentosa          | 85                 |
| Optic atrophy                 | 78                 |
| Gonarthrosis                  | 34                 |
| Spinal cord injury            | 51                 |
| Graft versus host disease     | 39                 |
| Amyotrophic lateral sclerosis | 236                |
| Cerebral palsy                | 260                |
| Autism                        | 130                |
| Sclerosis multiplex           | 36                 |

- Cooperation with approximately 20 clinics - delivery of ATMP products
- Over 60 diseases
- Access to therapy results - potential for R&D project selection
- First applications of autologous ATMP - MSC from adipose tissue - collaboration with renowned clinicians

# OWN DRUG RESEARCH (CLINICAL TRIALS)



| Own project       |  | Indication  | Total number of patients/applications | Status of applications                      | FamiCord's share in IP |
|-------------------|--|---|---------------------------------------|---|------------------------|
|                   | ALSTEM phase I/II  | - ALS   | 20 / 60                               | First planned for Q4 2020                   | 100%                   |
|                   | ALSTEM phase II/IIIa   | - ALS   | 80/240                                | First planned for Q1 2021                   |                        |
| Consortia project |  | Indication  | Total number of patients/applications | Status of applications (September 14, 2020) | FamiCord's share in IP |
|                   | 1) Circulate    | - Chronic Ischemic Heart Failure<br>- No-option critical limb ischemia<br>- Acute myocardial infarction | 300 / 500                             | ~ 354                                       | 10%                    |
|                   | 2) ABC therapy  | - Diabetic Foot Ulcer (DFU)<br>- Scars and cutis laxa syndrome  | 130 / 330                             | ~ 322                                       | ~23%*                  |
|                   | 3) BIOOPA  | - Epidermolysis Bullosa and other chronic wounds  | 100 / 300                             | First planned for Q2/Q3 2020                | ~38%*                  |

Ongoing four (plus one medical experiment) clinical trials in two consortia projects and ca. 676 applications

# CAR-T TECHNOLOGY - INNOVATIVE THERAPY IN CANCER TREATMENT



- **Exclusive license for the use of the CAR-T technology in Europe, purchased from iCell Gene Therapeutics**

- CAR-T technology is the most innovative therapy in blood cancer treatment
- Clinical development in cooperation with Warsaw Medical University, its experts and other clinical partners, targeting implementation of the treatment with the use of purchased technology



- **Planned full path of therapy approval from pre-clinical studies to EMA registration**

- Approval of Chief Pharmaceutical Inspector for manufacture of the CAR-T based medicinal product
- Initiation of the clinical trials; first patients potentially in 18-24 months
- If clinical trials are successful, application for the approval of the therapy by the European Medicines Agency (EMA)



- **Source of financing combined from own funding, public grant programs and private investors**

- PBKM commitment of PLN 15m in years 2020-2024
- Several dozen of PLN million (estimated needs) from public grants programs supporting innovative research, as well as private equity investors with strong focus on life science and biotech

**A MOONSHOT PROJECT WITH A POTENTIAL TO SIGNIFICANTLY MULTIPLY THE COMPANY'S CURRENT VALUE**

# HOW CAR-T THERAPY WORKS

Step 1



Blood taken from patient

Step 2



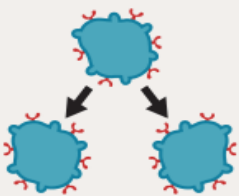
Filter out the immune 'T' cells

Step 3



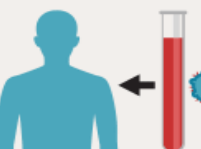
A harmless virus used to deliver genes into 'T' cells modifies them to recognise and target cancer cells

Step 4



Modified cells duplicated in lab

Step 5



The modified CAR-T cells are injected back into the patient

## Immune discovery 'may treat all cancer'

The Cardiff University team discovered a method of killing prostate, breast, lung and other cancers in lab tests.

The Cardiff team discovered a T-cell and its receptor that could find and kill a wide range of cancerous cells in the lab including lung, skin, blood, colon, breast, bone, prostate, ovarian, kidney and cervical cancer cells.

CAR-T can have dramatic results that transform some patients from being terminally ill to being in complete remission.

T-cell cancer therapies already exist and the development of cancer immunotherapy has been one of the most exciting advances in the field.

- The CAR-T therapy has been recently made available to patients in the US and some countries in Western Europe - offered on these markets by two pharmaceutical companies
- In patients undergoing the CAR-T therapy, the remission rate (percentage of patients without a disease relapse) is much higher than in the case of traditional cancer treatment methods
- The CAR-T therapy may be used both in adults and children in the treatment of dozens of diseases



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## ATTACHEMENTS, BUSINESS & FINANCIAL GLOSSARY



# GLOSSARY & USEFUL STOCK MARKET INFORMATION



|                |  |
|----------------|--|
| <b>ABB</b>     | – Accelerated Book Building                        |
| <b>ALS</b>     | – Amyotrophic Lateral Sclerosis                    |
| <b>ATMP</b>    | – Advanced Therapy Medicinal Product               |
| <b>ARPU</b>    | – Average Revenue Per User                         |
| <b>ARR</b>     | – Annual Recurring Revenue                         |
| <b>CAC</b>     | – Customer Acquisition Cost                        |
| <b>CAGR</b>    | – Compound Annual Growth Rate                      |
| <b>CLTV</b>    | – Customer Lifetime Value                          |
| <b>CMO</b>     | – Contract Manufacturing Organization              |
| <b>G&amp;A</b> | – General and Administrative (expenses)            |
| <b>IP</b>      | – Intellectual Property                            |
| <b>IPO</b>     | – Initial Public Offering                          |
| <b>PE</b>      | – Private Equity                                   |
| <b>SPO</b>     | – Second Public Offering                           |
| <b>WJ-MSC</b>  | – Wharton’s Jelly - derived Mesenchymal Stem Cells |

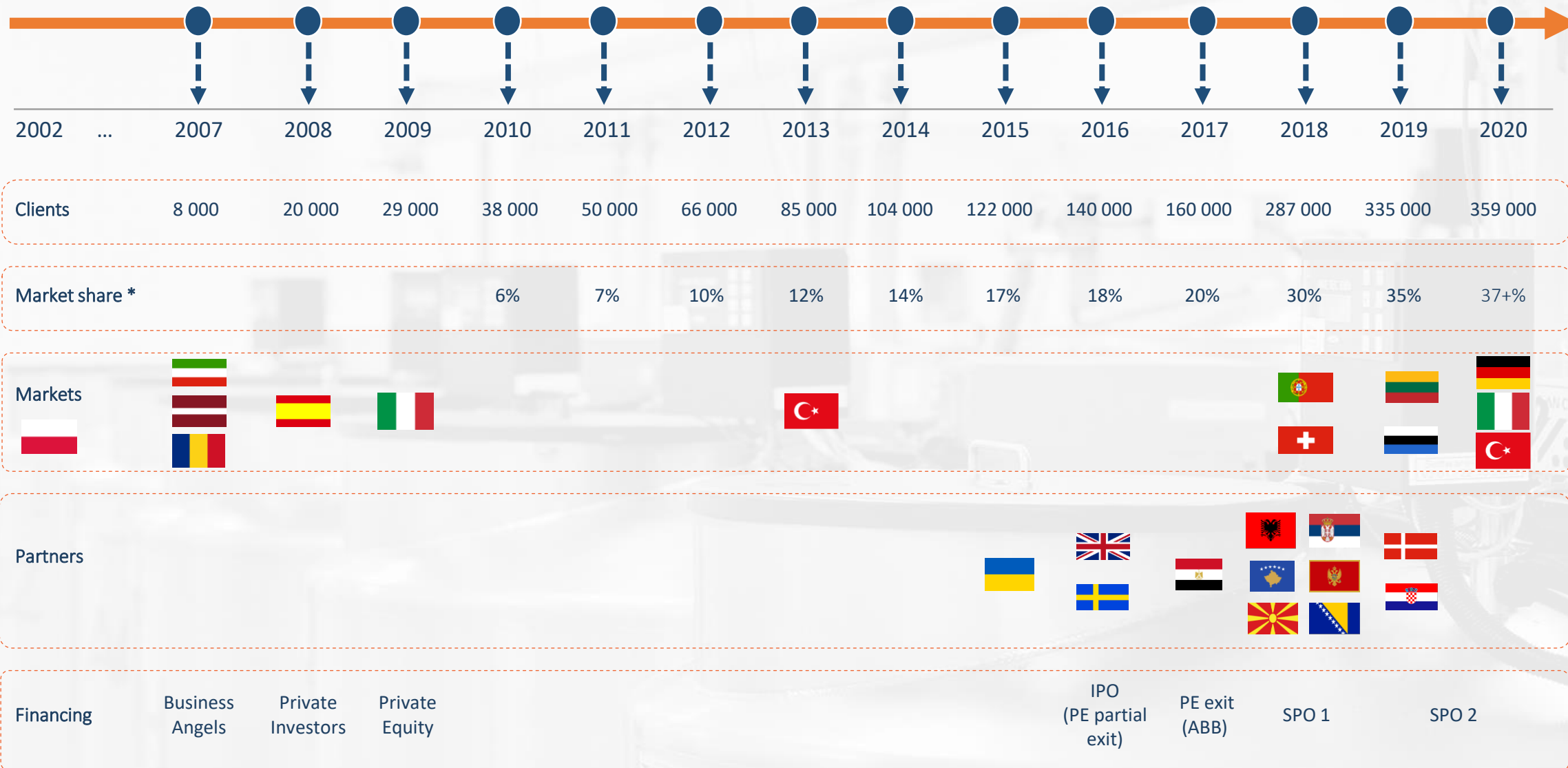
1 EUR = 4,45 PLN (as of 14.09.2020 cob)

3Y average EUR/PLN = 4,31

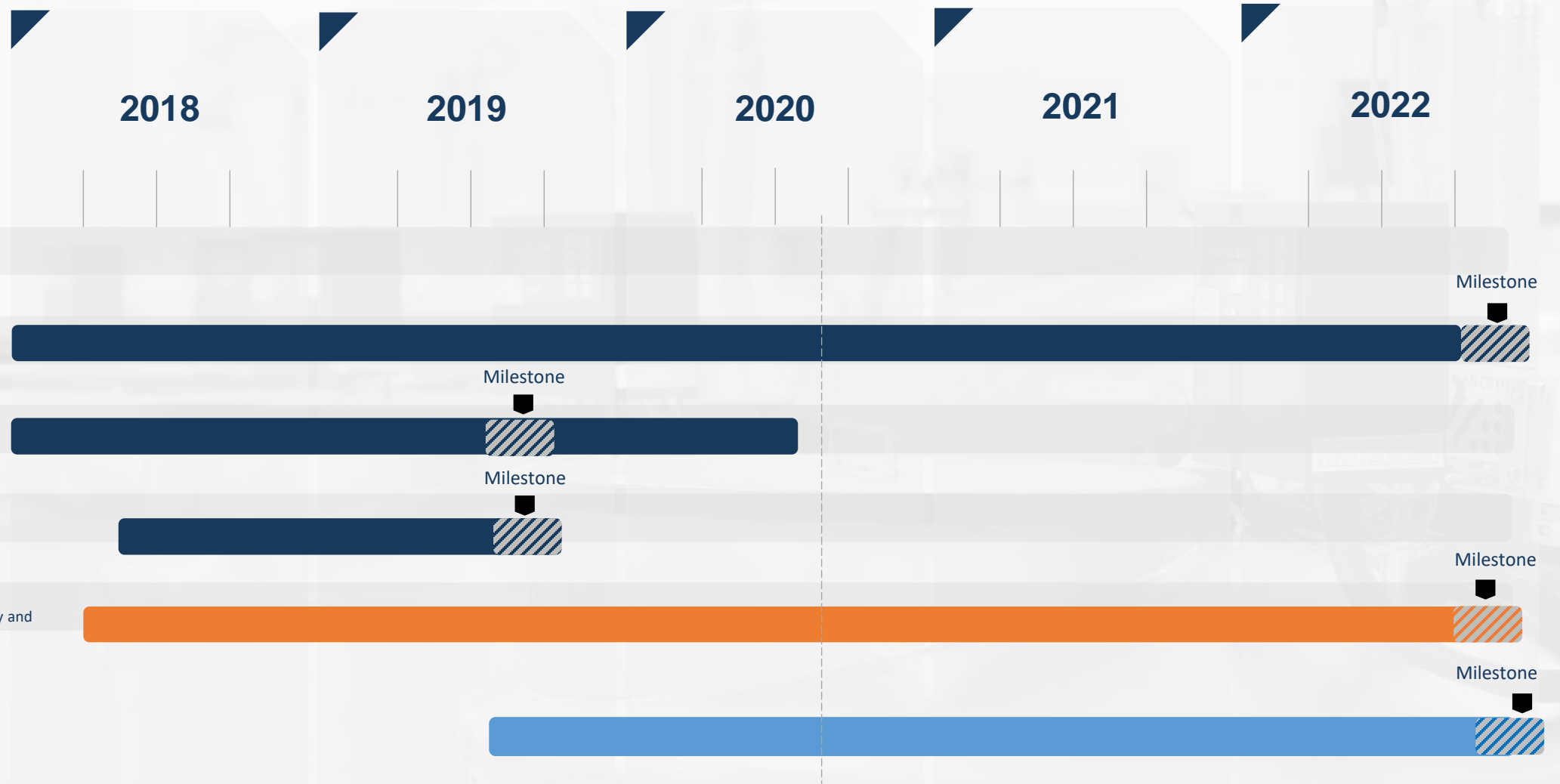
PBKM shares (BKM.PW) are listed on the main market of WSE in continuous trading, 9-17:00 hrs,

PBKM reports under GAAP

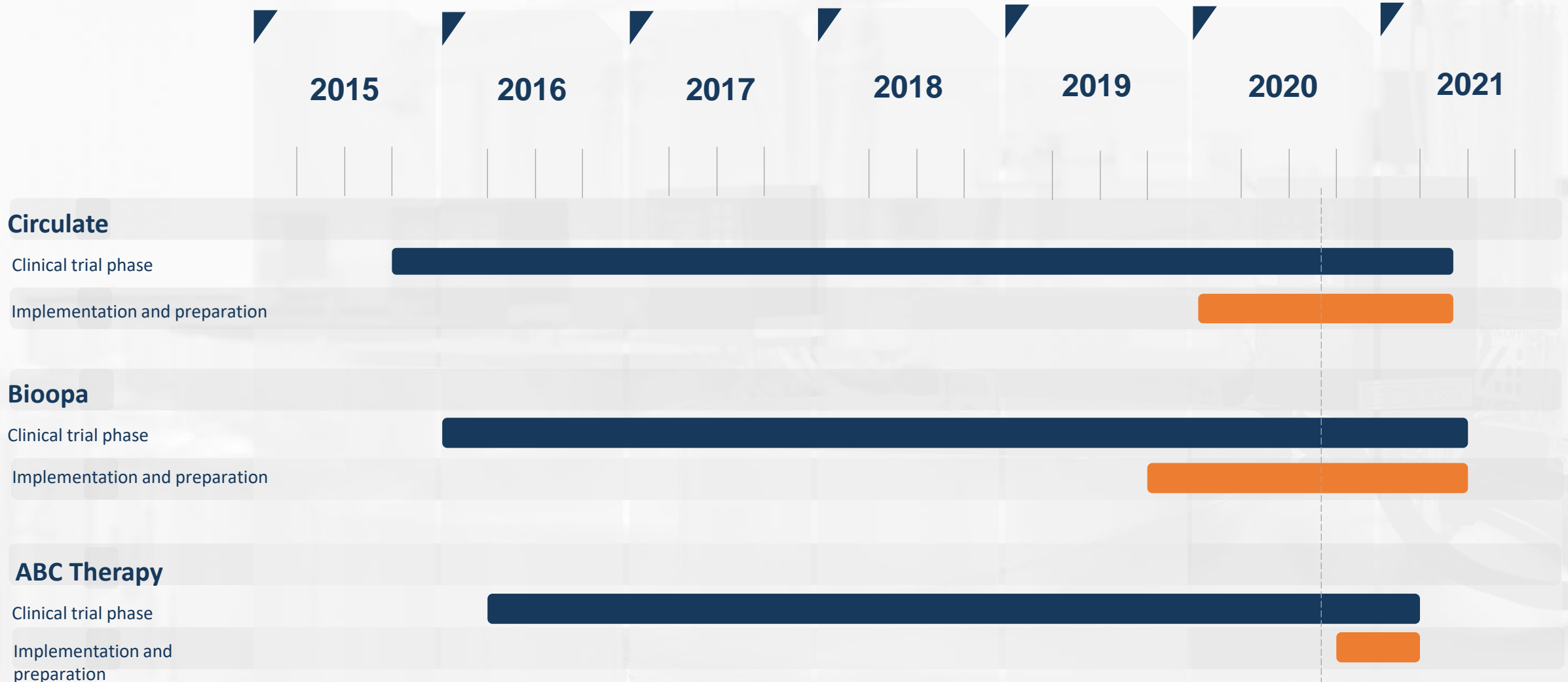
# HISTORY OF FAMICORD GROUP



# GENERAL SCHEDULE OF CLINICAL TRIALS - OWN PROJECT



# GENERAL SCHEDULE OF CLINICAL TRIALS - CONSORTIA PROJECTS \*



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